## Distinguished New York City Lawyer.

What Mr. ALBERT REYNAUD, of 70 William st., says:

NEW YORK, Nov. 11, 1889. Mr. E. B. HARPER,

President Mutual Reserve Fund

Life Association,

38 Park row, New York City: MY DEAR SIR: Having being professionally employed in a small controversy against your Company, I was led to examine into one feature of its organization which seems to me as exceptional as it is

In my judgment one great objection against all corporate management is the absolute and irresponsible power exercised by the executive officers. It leaves those interested in the Company's welfare wholly dependent upon the personal honesty of the one in control. The corporate rights, property, prestige and fortunes become, in a sense, the private apanage and perquisite of an individual, the measure of whose integrity, unselfishness and devotion is the sole safeguard and security for all the other interests involved. So much so that corporations become, both in common parlance and in fact, the property of A, B, or C.

Now, you have not only based your system upon the theory of actual cost of insurance instead of vast accumulations existing only to give the executive large sums to turn over and invest; and you have not only coupled the new departure with a sufficient and wise provision against temporary or accidental distress by the moderate and yet adequate accretion of the Reserve Fund (in which respect your Company seems to have struck the golden mean and avoided the dangers of other assessment insurance), but the feature which has particularly fixed my attention is the system of double checks upon individual discretion which you appear to have sought and carried

No one, even to yourself, is without this controlling restraint, the check of an independent judgment. Thus you present in a moral aspect the security that double entry does in bookkeeping. To give but a single instance: Your Reserve Fund is invested not at the discretion or caprice of yourselves alone, but subject to the additional judgment of a Trust Company, in whose hands the money is deposited in trust for your policyholders.

And so at the cost of exclusive power and opportunity, you have surrounded yourself, your officers, and your whole company with independent checks, safeguards, and guarantees, a moral reserve which, I repeat, is sufficiently original and unique to deserve attention and commendation.

It appears to me that you have opened up in the government of more and more approve itself. Experience has demonstrated the insecurity of mere money accumulations against the depredations of unfaithful executives. Under your system it seems almost impossible, so far as human provision can make it so, for any individual, whatever his position, to endanger the interests of the great institution which you have developed upon such thorough and admirable principles. Yours truly, ALBERT REYNAUD.

COUNSELLOR REYNAUD IS ASSOCI-ATED WITH ONE OF THE LEADING AND BOST PROMINENT LAW FIRMS IN NEW YORK, THE REPUTATION OF WHICH EXTENDS THROUGHOUT THE WORLD. EXTENDS THROUGHOUT THE WORLD'
THE ABOVE ABLE OPINION REGARDING
THE PLANS AND SYSTEM OF THE MUTUAL RESERVE FUND LIFE ASSOCIATION WAS WRITTEN BY HIM WITHOUT
THE KNOWLEDGE OF ANY OFFICER OF
THE ASSOCIATION, AND IS ABSOLUTELY
A VOLUNTARY OFFERING ON THE PART
OF THIS DISTRIBUTION IN WYER. A VOLUNTARY OFFERING ON THE PART OF THIS DISTINGUISHED LAWYER. HIS ATTENTION WAS CALLED TO THE PLANS AND SYSTEM OF THE ASSOCIATION BY HEASON OF HIS BEING EMPLOYED BY ONE OF ITS MEMBERS TO MAKE A LEGAL INVESTIGATION, AND THE ABOVE OPINION IS THE RESULT OF HIS PRINCIPAL.

## ONE MORE OFFICIAL EXAMINATION. ONE MORE OFFICIAL INDORSEME

The Insurance Department of the State of West Virginia, after making a Thorough Examination of its Assets, Books, System and Accounts, Pronounces the Mutual Reserve Fund Life Association Sound, Solid and Entitled to the Fullest Public Confidence.

It is said that there is an end to all things; but there seems to be no end to the number of official Examinations by Insurance Departments, Experts, Actuaries and Accountants into the affairs of the Mutual Reserve Fund Life Association. What the Old Line High Rate, Monopoly Life Insurance Companies expect to attain by causing so many Examinations to be made of the Mutual Reserve, and avoiding similar Examinations into their own affairs, is indeed a mystery.

Do they expect that the people will long continue to respect these concerns? Simply take the statements made by the officers of these Level Premium Companies, while the same officers are causing so many false reports to be circulated against their rival, the Mutual Reserve.

The fact is that there will be an end to the almost weekly Examinations by Insurance Officials and Experts into the Affairs of the Mutual Reserve Fund Life Association, and there

will be a beginning of Examinations into the inside affairs of the Level Premium Life Insurance Companies. Official Statement of the Accounts of the MUTUAL RESERVE FUND LIFE ASSOCIATION to Nov. 15, 1889, as presented by the INSURANCE DEPARTMENT OF THE STATE OF WEST VIRCINIA: Balance Dec. 31, 1888 \$1,958,753.81 INCOME SINCE JANUARY 1, 1889. Admission fees \$851,30 324,692,21 Annual dues Fees for alterations in policies 394,02 2,051,407,72 Mortuary calls \$58,934.01 Interest, Reserve-fund Account, Bond and Mortgage 3,894.22 62,828,30 Other sources Special Deposit Account and other sundry accounts of the Mortuary Department 2,050,62 82,442,224.17 Total income \$4,395,977.98 DISBURSEMENTS SINCE JANUARY Death claims paid since Jan. 1, 1889 \$1,522,781.26 Dues returned to members 163.22 41,886.99 Advertising . Postage . Furniture and Fixtures 6,310.72 1,470 30 Salaries and other compensation of officers and employees 84,022.62 Printing 8,480.67 80,563.10 Commissions Medical examination fees 727.65 1,100.00 Superintendent of Agencies expenses 22,406.54 Rents Actuarial expenses 1,977.10 General office expenses . 12,914.92 Agency expenses . 5,979.46 4,331.50 Law expenses 2,601.64 Travelling expenses. Exchange 114.70 Commissions paid to Banks and Collectors and cost of levying and collecting \$2,051,407.72 of mortuary calls and adjusting \$1,522,781.26 of death claims 142,719.96 Total disbursements \$1,940,552,85 82,455,425.63 Balance Bonds and Mortgages. \$1,687,000.00 St. Louis City bond, held by the Insurance Department of Missouri Cash deposited with Central Trust Company, New York 1,000.00 28,931.70 300,000.00 Cash deposited with American Loan and Trust Company, New York Cash deposited with Bank of England, London, England . 97,500.00 50,000.00 Cash deposited with Bank of Montreal, Montreal, Canada Cash deposited with Fourth National Bank, New York Cash deposited with Third National Bank. Boston, Mass. 86,492,10 10,000.00 Cash deposited with Mercantile National Bank, Boston, Mass.
Cash deposited with Mercantile National Bank, New York
Cash deposited with Societe de Depots and Cr. Foncier, Paris, France
Cash deposited with National Provincial Bank, London
Cash deposited with National Park Bank, New York
Cash deposited with sundry other Banks 10,000.00 33,595.55 484.00 12,130.53 898.07 1,929.75 Cash in office Advances to agents and general agents, secured . 126,615.99

Total net assets Interest accrued on Bond and Mortgage \$19,351.91 285.21 Deposit in Bank of England Deposit in Bank of Montreal 557.19 Sundry deposits 2,937.50 Mortuary assessments not yet due, but called and in process of collection \$822,367.80 Annual dues in process of collection 52,382.00 \$874,749.80

Losses due and unpaid None. \$262,200.00 Death claims adjusted and assessed for 185,500.00 Death claims in process of adjustment and reported 38,000.00 Death claims resisted \$485,700.00 286,584.83

Outstanding dividend bonds Special deposits to credit of members, Nov. 15, 1889 \*Net present value of all polices in force Nov. 1, 1889, computed as renewable term insurance for sixty days, Actuaries

Table of Mortality, interest 4 per cent . Total liabilities .

**NET SURPLUS** 

Furniture and Fixtures

\$168,902,850,00 27,689,050,00 26,000,00 Number and amount in force on Dec. 31, 1888 9,652 Number and amount written to Nov. 1, 1889 Number and amount restored to Nov. 1, 1889 \$196,617,900.00 57,350 5,205 18,251,800.00 Number and amount terminated by Death and Expiry, and not taken policies to Nov. 1, 1889 \$178,366,100.00 52,145 corporations a method which must | Number and amount in force on Nov. 1, 1889

\* All policies terminate by limit of time each sixty days, subsequent payments maturing each sixty days, equal liabilty for future death claims, based on combined Experience Tables of Mortality.

We hereby certify that the within is a true and correct copy of the original report of our Examination of the Assets and Liabilities of the Mutual Reserve Fund Life Association. M. H. DYER, Examiner Insurance Department, West Virginia.

LUCIUS MCADAM, Actuary.

NEW YORK, November 26, 1889.

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**\$2,455,425.63** 

\$1,229,843.38

8,847.94

817,891.08

10,042.55

447.516.00

47,693

00,000.12

Hon, Patrick F. Duffy, Auditor of State and Insurance Commissioner of West Virginia : Dear Sir: Pursuant to the authority and instructions given to me, I have made an examination of the Mutual Reserve Fund Life Association of New York, having been assisted therein by Mr. Dear Sir: Pursuant to the authority and instructions given to me, I have made an examination of the Mutual Reserve Fund Life Association of New York, having been assisted therein by Mr. Dear Sir: Pursuant to the authority and instructions given to me, I have made an examination of the Mutual Reserve Fund Life Association of New York, having been assisted therein by Mr. Dear Sir: Pursuant to the authority and instructions given to me, I have made an examination of the Mutual Reserve Fund Life Association of New York, having been assisted therein by Mr. Dear Sir: Pursuant to the authority and instructions given to me, I have made an examination of the Mutual Reserve Fund Life Association of New York, having been assisted therein by Mr. Dear Sir: Pursuant to the authority and instructions given to me, I have made an examination of the Mutual Reserve Fund Life Association of New York, having been assisted therein by Mr. Dear Sir: Pursuant to the authority and instructions given to me, I have made an examination of the Mutual Reserve Fund Life Association of New York, having been assisted therein by Mr. Dear Sir: Pursuant to the authority and instructions given to me, I have made an examination of the Mutual Reserve Fund Life Association of New York, having been assisted therein by Mr. Dear Sir: Pursuant to the authority and instructions given to me, I have made an examination of the Mutual Reserve Fund Life Association of New York, having been assisted therein by Mr. Dear Sir: Pursuant to the authority and instructions given to me, I have made an examination of the Association for the Association detail, and the various bank deposits verified by inquiry at the banks. The Liability for death claims was closely examined, in connection with the proofs of death, and the methods of the Association in the investigation and payment of death claims inquired into and found satisfactory. The other liabilities and the Insurance in force were verified from the books. The Statement shows Net Cash and Invested Assets .
Accrued Interest and Other Assets .

Liability for Death Claims and Reserve The various Departments of the Association were ound to be well conducted and in charge of competent men. I am satisfied from this examination that this Association is in sound

condition and is entitled to public confidence. M. H. DYER, Examiner Insurance Department, State of W. Va. Having assisted Mr. M. H. Dyer, Examiner Insurance Department of West Virginia, in his examination of the Mutual Reserve Fund Life Association of New York as of November 15, 1839, I fully

concur in the statements made in the foregoing certificate. LUCIUS McADAM, Actuary. THE ABOVE INDORSEMENT SIMPLY CORROBORATES THE MANY SIMILAR REPORTS AFTER EXAMINATION BY INSURANCE COMMIS SIONERS, ACCOUNTANTS, ACTUARIES, AND EXAMINERS FROM VARIOUS STATES AND COUNTRIES IN WHICH THE ASSOCIATION IS DOING

Persons desiring to obtain their Life Insurance at about one-half (1/2) the usual rates charged by the old-system Companies should call or send for circulars, HOME OFFICE MUTUAL RESERVE FUND LIFE
ASSOCIATION, 38 Peak Bow, New York.